

§ 585.528 Unblocking of certain vessels and accounts.

(a) All transactions with respect to the following vessels are authorized as of May 19, 1997: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR, and M/V BAR (a.k.a. M/V INVIKEN).

(b) All transactions by U.S. persons to seek and obtain judicial warrants of maritime arrest against the blocked vessels referenced in paragraph (a) of this section are authorized, but service of a warrant of maritime arrest on a blocked vessel referenced in paragraph (a) of this section may be effected not before 10:00 a.m. local time in the location of the vessel, May 8, 1997.

(c) Nothing in this section authorizes a debit to an account blocked prior to December 27, 1995, unless such debit is independently authorized by or pursuant to this part.

(d) All transactions with respect to blocked accounts held at Whitney National Bank, New Orleans, Louisiana, containing the proceeds of the sales of the M/V KAPETAN MARTINOVIC and the M/V BOR are authorized as of December 7, 1998. All transactions by U.S. persons to seek and obtain judicial writs of attachment against the blocked accounts as substitute property for these vessels are authorized as of 10:00 a.m. Eastern Standard Time, November 27, 1998.

[62 FR 19673, Apr. 23, 1997, as amended at 63 FR 59884, Nov. 6, 1998]

§ 585.529 Unblocking of previously blocked property.

(a)(1) Except for such property and interests in property described in paragraph (a)(2) of this section, as of February 25, 2003, all transactions that otherwise would be prohibited by this part involving property or interests in property blocked pursuant to Executive Order 12808 of May 30, 1992, Executive Order 12810 of June 5, 1992, Executive Order 12846 of April 25, 1993, or Executive Order 12934 of October 25, 1994, that has remained blocked pursuant to Presidential Determination No. 96-7 of December 27, 1995, are authorized.

(2) The authorization in paragraph (a)(1) does not apply to:

(i) Property or interests in property of diplomatic and/or consular missions

of the former Socialist Federal Republic of Yugoslavia,

(ii) Property or interests in property blocked pursuant to this part of those persons presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) Milosevic Regulations set forth at 31 CFR part 587 or the Western Balkans Transactions Regulations set forth at 31 CFR part 588, or who are otherwise subject to sanctions under this chapter, or

(iii) Property or interests in property of the National Bank of Yugoslavia blocked pursuant to this part.

(b) As of December 27, 2002, any person or government is authorized to seek an attachment, judgment, decree, lien, or other judicial or legal process against or with respect to any property or interests in property subject to the unblocking authorization set forth in paragraph (a) of this section. This section does not authorize any execution against, final settlement with respect to, garnishment of, or other action effecting the transfer of any property or interests in property subject to the unblocking authorization set forth in paragraph (a) of this section prior to February 25, 2003.

NOTE TO PARAGRAPH (b) OF § 585.529: Any person or government seeking judicial or other legal process under the authority of this paragraph must comply with the reporting requirements set forth under 31 CFR 501.605 pertaining to litigation, arbitration and dispute resolution proceedings.

[67 FR 78974, Dec. 27, 2002]

Subpart F—Reports

§ 585.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

[62 FR 45110, Aug. 25, 1997]

Subpart G—Penalties

§ 585.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the “Act”) (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or

instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act.

(1) A civil penalty not to exceed the amount set forth in Section 206 of the Act may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation, or prohibition issued under the Act.

NOTE TO PARAGRAPH (a)(1) OF § 585.701: As of June 10, 2008, the Act provides for a maximum civil penalty not to exceed the greater of \$250,000 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(2) A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any license, order, regulation, or prohibition shall, upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both.

(b) *Adjustments to penalty amounts.* (1) The civil penalties provided in the Act are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note).

(2) The criminal penalties provided in the Act are subject to adjustment pursuant to 18 U.S.C. 3571.

(c) Attention is directed to the United Nations Participation Act (22 U.S.C. 287c(b)), which provides that any person who willfully violates or evades or attempts to violate or evade any order, rule, or regulation issued by the President pursuant to the authority granted in this section shall, upon conviction, be fined not more than \$10,000 or, if a natural person, be imprisoned for not more than 10 years, or both; and the officer, director or agent of any corporation who knowingly participates in such violation or evasion shall be punished by a similar fine, imprisonment or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with tackle, apparel, furniture, and equipment, or vehicle, or aircraft, concerned in such violation shall be forfeited to the United States. The criminal penalties provided in the

United Nations Participation Act are subject to increase pursuant to 18 U.S.C. 3571.

(d) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

(e) Violations of this part may also be subject to relevant provisions of the Customs laws and other applicable laws.

[58 FR 13201, Mar. 10, 1993, as amended at 61 FR 54940, Oct. 23, 1996; 62 FR 45110, Aug. 25, 1997; 73 FR 32654, June 10, 2008]

§ 585.702 Prepenalty notice.

(a) *When required.* If the Director of the Office of Foreign Assets Control has reasonable cause to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act, and the Director determines that further proceedings are warranted, he shall issue to the person concerned a notice of his intent to impose a monetary penalty. The prepenalty notice shall be issued whether or not another agency has taken any action with respect to this matter.

(b) *Contents—(1) Facts of violation.* The prepenalty notice shall describe the violation, specify the laws and regulations allegedly violated, and state the amount of the proposed monetary penalty.

(2) *Right to make presentations.* The prepenalty notice also shall inform the person of his right to make a written presentation within 30 days of mailing of the notice as to why a monetary